Troy
MEDICARE

Troy Medicare removes the fat
in the Medicare healthcare program.

Medicare Market

- Medicare is a government program that covers the healthcare of 50 million seniors and continues to expand each year to cover more residents of all ages

- Medicare Advantage represents the private companies which the US government contracts to administer the Medicare program for 21 million Americans

- Medicare Advantage is growing at an increasing rate, and will **surpass 40 million seniors by 2025** (that's a **$800 Billion market size**)

https://www.lek.com/sites/default/files/insights/pdf-attachments/2135-Medicare-Advantage-Penetration.pdf

Independent Pharmacies

- **21,767** community pharmacies (36% of all pharmacies in the US) are independently owned small businesses, often located in underserved areas where access to care is a challenge

- Services include: Immunizations, Medication Reconciliation, Home Delivery/Home Visits, Tobacco Cessation Programs, Nutrition Counseling, and Point of Care Testing

- The average senior visits their community pharmacy 3 times per month (**36 times per year**) and trust their pharmacist more than their primary care doctor

Direct Competitors

- **United Healthcare Group** — $240 Billion market cap – closely partnered with Walgreens

- **Humana** — $40 Billion market cap – closely partnered with Walmart

- **Aetna** — purchased by the CVS pharmacy chain for $69 Billion

- **Cigna** – merged with Express Scripts in a deal valued at $67 Billion

- **WellCare** — purchased by Centene for $15 Billion

The Fat

- **Advertising/Marketing** accounts for 45% of non-medical expenses each year

- **Insurance Brokers** account for 25% of non-medical expenses each year

- **Pharmacy Benefit Managers** (PBMs) - 5% of non-medical expenses

  - Bloated transactional system with 0 drug pricing transparency

  - Ineffective at managing drug costs and disconnected from the health costs

- **Third Party Administrator (TPA) functions** - 20% of non-medical expenses

  - Outdated technology standards make care management impossible

  - Data delays lead to provider and patient dissatisfaction

- **Care Management Vendors** - 4% of non-medical expenses

  - Many duplicate vendors with no incentives to integrate and share data

Enter Troy Medicare

- **Troy Medicare** is the only Medicare company that combines modern **data science techniques** with the patient **accessibility** and **trust** of local community pharmacies.

- **Unfair competitive advantage:**

  - Customer Acquisition Cost is **20 times lower** than the competition

  - Close relationships with **21,000+** local community pharmacies in all 50 states
    - Unique care management that is more effective than current models

  - Founded by software engineers with a history of disrupting Medicare
    - Data-driven benefit design proven to attract members

Troy Medicare is Live and Proven

- APR 2019 — Received license from the North Carolina Department of Insurance

- JUL 2019 — Received approval from the Center for Medicare and Medicaid Services

- SEP 2019 — Completed **$10.2 million** financing round

- SEP 2019 — Contracted a large network of providers (including **Duke Health**, CHS, South Eastern, and Cape Fear Valley Hospital Systems)

- OCT 2019 — Proved model by enrolling **250 members** in Troy Medicare at $0 CAC

- JAN 2020 — surpassed **$3 million in Annual Recurring Revenue (ARR)**

Actuarial Financials

	2019	2020	2021	2022	2023	2024	2025	2026
Capital Contribution	10.2M US$	25M US$	0 US$	0 US$	0 US$	0 US$	0 US$	0 US$
Members Enrolled	0	400	2,085	8,030	10,070	13,690	16,640	24,790
Total Revenues	0	4,500,600 US$	31,571,286 US$	135,208,457 US$	181,958,868 US$	255,441,356 US$	322,692,780 US$	497,371,236 US$
EBITDA	-3,267,488 US$	-5,797,274 US$	284,368 US$	3,061,158 US$	7,732,212 US$	14,644,130 US$	20,134,241 US$	33,400,259 US$
Capital Reserves	4.6M US$	23.8M US$	24M US$	27.1 US$	34.1M US$	43.6M US$	56.7M US$	78.4M US$

Unfair Distribution

- Troy Medicare has an unfair advantage: a customer acquisition cost that is 1/20th compared to United, Humana, and Aetna.

- By leveraging a free pharmacy distribution channel, Troy Medicare is acquiring customers without being beholden to insurance broker commissions

- Due to word-of-mouth, Troy Medicare has acquired all members while spending $0 on advertising and marketing.

- Unlike the relationship with an insurance broker, seniors have a trusted, long-term relationship with their pharmacy.

  - This leads to a much higher retention and long-term value (LTV) of each member

Unique Care Management

- Troy Medicare has a network of trusted, local pharmacies that patients see **36 times per year** on average (compared to the 3 times they see their PCP)

- Every Troy Medicare member has a **local pharmacy care manager** assigned to them

- Each month, the care manager **meets in-person** to review health goals, social determinants, complete a care plan, review medications and create an action plan

- Troy Medicare provides the **data and technology tools** to each care manager to have complete visibility into each member across their health spectrum

Data-driven Benefit Design

- **A decade of proprietary Medicare data and insights:**

  - Transparent drug pricing

    - Troy Medicare is the first Medicare Plan to have 100% transparency for the patient and pharmacy on the cost of each medication

  - $0 Durable Medical Equipment up to $90 in value

  - Key medications covered that are low cost but high value

  - $0 premium

  - $0 deductible

  - $0 primary care visits

Geographic Expansion

- Enabled by signed contracts with 3800+ providers, including **Duke Health, Cape Fear Valley, and South Eastern**, Troy Medicare will expand to 13 more counties in NC in 2020

  - Detailed expansion plans can be viewed in the Series B data room

- In early 2020, Troy Medicare leardership is holding meetings with the departments of insurance in South Carolina, Virginia, and Tennessee to discuss expansion plans

- To better serve our Medicaid population, Troy Medicare will be adding a Dual Eligible Special Needs Plan (D-SNP) in 2021

Troy Medicare Leadership

Flaviu Simihaian
Chief Executive Officer

— Previously CEO of iMedicare, a SaaS platform 6,000+ pharmacies use to help seniors pick Medicare plans
— Facilitated the enrollment of over 1 million seniors in Medicare Advantage plans

Michael Cutroni
Chief Financial Officer

— CFO @ MDWise
— CFO @ Consumers Mutual Insurance of Michigan
— VP of Financial Planning @ Universal American

Elyse Eisenberg
Chief Operating Officer

— Executive Director @ Vantage Cancer Care Network
— Director, Corporate Contracting @ Bravo Health
— Director, Corporate Development @ AmeriHealth

Jeff Scribner
Chief Compliance Officer

— Former Deputy US Marshal and Special Agent
— Chief Compliance Officer and Privacy Officer for publicly traded companies, HMOs, large complex healthcare systems